

TABLE OF CONTENTS

	PAGE
Chapter 1. Definitions used in this manual.....	1-1
Chapter 2. The Motor Vehicle Division	
2.1 History	2-1
2.2 The Staff.....	2-1
Chapter 3. Licensing	
3.1 Who Must Be Licensed.....	3-1
3.2 Types of Licenses.....	3-1
3.3 Exemptions.....	3-3
3.4 Licensing Periods	3-4
3.5 License Purveyors	3-4
3.6 Obtaining More Than One GDN or License	3-4
3.7 Established and Permanent Location	3-5
3.8 Premises Requirements	3-5
3.9 Applying For the GDN License	3-9
3.10 The Bond.....	3-11
3.11 Phone Listings.....	3-12
3.12 Employer Identification Number	3-12
3.13 Felony Conviction Question.....	3-12
3.14 Sign and Notarize the Application	3-12
3.15 Amending A Current License	3-13
3.16 Obtaining A Franchise License.....	3-13
3.17 Service-Only Facilities	3-14
3.18 Protest Area	3-14
3.19 Relocating A Franchised Dealership	3-14
3.20 Addition or Deletion of A Line	3-12
3.21 Special Requirements or Exemptions for Lessors & Lease Facilitators	3-15
3.22 Cancellation of License.....	3-15
3.23 Denial of Initial or Renewal Applications	3-15
3.24 Renewing Licenses.....	3-15
3.25 Applicant's Procedures and Rights	3-15
Chapter 4. Compliance & Dealer Operations	
4.1 Codes and Rules	4-1
4.2 Record Keeping Requirements.....	4-2
4.3 Consignment Sales.....	4-4
4.4 Blue Law	4-5
4.5 Disclosures under Deceptive Trade Practices Act	4-5
4.6 New Cars - Monroney (MSRP) Sticker	4-5
4.7 Used Cars - "As-Is" Buyers Guides	4-5
4.8 Metal Dealer Plates	4-7
4.9 Metal Plate Limits	4-8

4.10	Metal Converter's License Plates	4-8
4.11	Temporary e-Tags	4-9
4.12	Logs for Temporary Tags	4-14
4.13	The 30-Day Permit	4-14
4.14	Other Restrictions on Tags and Plates.....	4-14
4.15	Transported Vehicles	4-15
4.16	Special Exception for Auctions	4-15
4.17	Manufacturer's License Plates.....	4-15
4.18	Public Auctions.....	4-15
4.19	Wholesale Auctions	4-15
4.20	Wholesale Auction Procedures.....	4-15
4.21	Getting A Title from the Auction	4-16
4.22	Dealer Agents	4-16
4.23	Shows and Displays	4-17
4.24	Lemon Law Disclosure on New Vehicles.....	4-19
4.25	Selling to Foreign Buyers Rule	4-19
4.26	Displaying the License	4-19
4.27	License Plate Holders	4-19
4.28	Moving the Dealership	4-20
4.29	Trailer Dealers Obtaining VINs	4-20
4.30	Specific Violations under Transportation Code §503.038	4-20
4.31	Odometer Rollbacks	4-24
4.32	Unlicensed Sales	4-24
4.33	Violating Any Law relating to a Motor Vehicle Sale	4-24
4.34	Brokering	4-24
4.35	Internet Sales	4-26
4.36	Vehicle Transfer Notice	4-26
4.37	Choice of County to Register Vehicle	4-26
4.38	Transfer of Vehicle Registration and Removal of License Plates...	4-26
	Forms: Dealer Plate and Tags - Usage Chart.....	4-28
	Sample Metal Dealer Plate Log.....	4-29
	Sample Consignment Contract.....	4-30
	Sample Buyer's Guide.....	4-31
	Sample Export Title Stamp	4-33
	Trailer VIN Memo.....	4-34
	FTC Used Car Rule Brochure	4-36

Chapter 5. Cash Sales, Seller Financing, Retail Installment Contracts and Repossessions

5.1	Cash Sales.....	5-1
5.2	Requiring A Second Payment Negates A Cash Sale.....	5-1
5.3	Cash Sales Required Documents.....	5-1
5.4	Cash or Financed Requirements.....	5-2
5.5	Definition of Retail Installment Transactions.....	5-2
5.6	Seller-Finance License Required.....	5-2
5.7	Elements of A Retail Installment Transaction.....	5-2
5.8	Bailment Contracts and "Spot" Deliveries.....	5-3
5.9	Maximum Finance Charges.....	5-5

5.10	Repossessions.....	5-5
Chapter 6.	Titling Vehicles	
6.1	Wholesale Sales.....	6-1
6.2	Dealer Must Transfer, Not Customer.....	6-1
6.3	Exception to Dealer Transfers	6-2
6.4	Taking Assignment on Titles.....	6-2
6.5	Odometer Statements.....	6-2
6.6	Applying For Title.....	6-2
6.7	Ownership Documents.....	6-2
6.8	Documentation Required For Foreign/Imported Vehicles.....	6-3
6.9	Title application	6-4
6.10	The title application receipt.....	6-4
6.11	Vehicle registration.....	6-5
6.12	Title and registration in another state.....	6-5
6.13	Handling the out of the ordinary title situation.....	6-5
6.14	When title is lost, getting a certified copy of the original title.....	6-6
6.15	Forging title documents is a felony.....	6-6
6.16	The Most Common Reason Title Transaction are rejected	6-7
6.17	Standard Presumptive Value	6-7
6.18	How to get more information on titling and registration.....	6-7
Forms:	Secure Power of Attorney Form VTR 271.....	6-8
	Dealer Reassignment Form VTR 41A.....	6-9
	DPS Form, VI-30-A Identification Certificate.....	6-10
	Application for Assigned or Reassigned number VTR 68A.....	6-11
	Application for Texas Certificate of Title VTR 130U.....	6-12
	Statement of Fact (To replace lost title) VTR 130 SOF.....	6-13
	County of Title Issuance VTR 136.....	6-15
	County of Title Issuance VTR 136 (Spanish).....	6-16
	Power of Attorney to Transfer Vehicle VTR 271	6-17
	Motor Vehicle Transfer Notification VTR 346	6-18
	Affidavit for Repossession of Motor Vehicle VTR 264.....	6-19
Chapter 7.	Sales Tax and Vehicle Inventory Tax	
7.1	Sales tax.....	7-1
7.2	Dealer-financed sales.....	7-1
7.3	Cash Sales.....	7-1
7.4	Use of Exemption Certificates.....	7-2
7.5	Motor Vehicle Inventory Taxes (VIT).....	7-2
7.6	Penalties.....	7-4
7.7	Standard Presumptive Value	7-5
Forms:	Texas Motor Vehicle Sales Tax Exemption Certificate - For Vehicles Taken Out of State Form 14-312)	7-8
	Texas Motor Vehicle Sales Tax Resale Certificate (Form 14-313)...	7-9
	Texas Motor Vehicle Orthopedically Handicapped Exemption Certificate (Form 14-318).....	7-10
	Used Motor Vehicle Certified Appraisal Form	7-12
	Instructions for Filing and Paying VIT	7-14

Chapter 8. Lessors, Lease Facilitators & Leasing	
8.1 Definitions.....	8-1
8.2 License Required.....	8-1
8.3 License Exemptions.....	8-1
8.4 "Lease" or "Leasing" In Name of Company.....	8-1
8.5 Application for Lessor or Lease Facilitator License.....	8-2
8.6 Premises Requirements.....	8-3
8.7 Premises Requirements For Out Of State Lessors.....	8-4
8.8 Business Hours.....	8-4
8.9 More Than One Location.....	8-4
8.10 Records Required To Be Kept.....	8-4
8.11 Inspection of Records.....	8-4
8.12 Content of Records to Be Kept.....	8-4
8.13 Advertising Records to Be Kept.....	8-5
8.14 Subject To Advertising Rules.....	8-5
8.15 Title Assignments.....	8-5
8.16 No Fees from Dealers.....	8-5
8.17 No Fees to Unlicensed Persons.....	8-5
8.18 Referral Fees Prohibited	8-6
8.19 Letters of Appointment.....	8-6
8.20 Disclosures in Lease Contracts with Consumer Lessees.....	8-6
8.21 Lease Cannot Prohibit Foreign Entries.....	8-6
8.22 Prohibitions on Lease Facilitators.....	8-6
8.23 Prohibitions on both Lease Facilitators And Lessors	8-7
8.24 Lease Facilitator's Fees.	8-7
8.25 Appointments of Lease Facilitators	8-7
8.26 Required Lemon Law Notice to Lessees	8-7
8.27 Lessors and GDNs	8-7
Chapter 9. Converter's Operations	
9.1 Definitions of Converters and Conversions.....	9-1
9.2 License Necessary.....	9-1
9.3 How the Converter Invoices.....	9-2
9.4 Bidding on A Complete Vehicle.....	9-2
9.5 After-Market Conversions.....	9-2
9.6 Purchases from An Out-Of-State Converter	
By An In-State Customer.....	9-2
9.7 Warranty Repairs or Service Work on Converted Products.....	9-3
9.8 Selling A Converted Unit Directly to A Franchised Dealer.....	9-3
9.9 Selling A Newly Converted Unit to an Out-Of-State Customer....	9-3
9.10 Selling Conversion Demonstrators.....	9-3
9.11 Converter Metal Plates and Temporary Tags.....	9-3
Chapter 10. Advertising	
10.1 Objective.....	10-1
10.2 Definition of an Advertisement.....	10-1
10.3 General Prohibition	10-1
10.4 Availability of New Motor Vehicles	10-2

10.5	Availability of Used Motor Vehicles	10-3
10.6	Accuracy	10-3
10.7	Untrue Claims	10-3
10.8	Layout	10-4
10.9	Dealer Price Advertising	10-4
10.10	Identification/"Loaded"/Illustration	10-6
10.11	Advertising at Cost or Invoice	10-6
10.12	Trade-In Allowances	10-7
10.13	Used Vehicles	10-7
10.14	Demonstrators	10-7
10.15	Auction	10-7
10.16	Free Offers	10-8
10.17	Authorized Dealer	10-8
10.18	Rebate and Financing Rate Advertising by Dealers	10-8
10.19	Manufacturer Sales; Wholesale Prices	10-9
10.20	Savings Claims; Discounts	10-9
10.21	Bankruptcy/Liquidation Sale	10-10
10.22	Lowest Price Claims	10-11
10.23	Sales Payment Disclosures	10-11
10.24	Lease Advertisements/Lease Payment Disclosures	10-12
10.25	Fleet Prices	10-14
10.26	Bait Advertisement	10-14
10.27	Brokering	10-14
10.28	Internet Advertising	10-14

Chapter 11. Lemon Law Requirements

11.1	Lemon Law or Warranty Performance Obligations.....	11-1
11.2	Notice at Time of Sale.....	11-1
11.3	Dealer Must Post Notices.....	11-1
11.4	Reselling Lemons.....	11-1
	Forms: Lemon Law Brochure.....	11-2
	Notice to New Motor Vehicle Owners and Lessees.....	11-4
	Lemon Law Notice for Cashier's Area.....	11-6

Chapter 12. The Administrative Complaint Process

12.1	Investigation of Complaints Received.....	12-1
12.2	Filing of Dockets.....	12-1
12.3	Docket Process.....	12-1
12.4	What To Do When You Get A Petition.....	12-3

Chapter 13. Useful Web Sites

Chapter 14. Index to Forms